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| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
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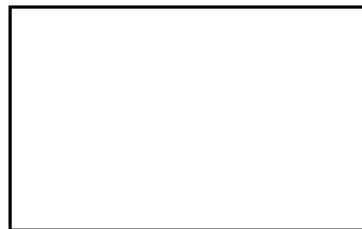
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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday December 14, 1976

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NATIONAL SECURITY INFORMATION

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National Intelligence Daily Cable for Tuesday December 14, 1976.

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The NID Cable is for the purpose of informing senior US officials.

CONTENTS

25X1

USSR-US: Relations Page 2

IRAN - SOUTH YEMEN: Return of Pilot Page 3

MEXICO: Expropriation Annulled Page 4

25X1

25X1

25X1

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USSR-US: Relations

25X1 [] An article in *Pravda* on Saturday by Georgi Arbatov, the Director of the USA Institute, appears designed to caution a Soviet audience that a new administration in the US does not necessarily mean instant progress for Soviet-American relations.

25X1 [] Arbatov put president-elect Carter and secretary of state-designate Vance in a favorable light but implied that "deep-seated factors and trends in American policy" will create difficulties in moving detente forward. In his sober assessment, Arbatov also stated that the discussion of issues in the US is "still too vague to draw final conclusions about future US policy."

25X1 [] English-language broadcasts of the article have been more optimistic. They have ignored Arbatov's judgment that US campaign rhetoric was responsible for the "hitch" in the development of detente.

25X1 [] The article is Arbatov's first in the national press since last spring when detente was under attack in the US during the primaries. It is consistent with previous Soviet commentary, which argued that Soviet-American relations have been stalled for the past year and that now it is up to the US to take the initiatives.

25X1 [] The Soviet view is that such key issues as strategic arms limitations, mutual and balanced force reductions, the Middle East, and economic relations are stalemated, and that the US would find itself knocking on an open door in any demarche to the USSR. In the past few weeks, these views have been given more weight by the public and private remarks of General Secretary Brezhnev.

25X1 [] Arbatov highlighted the need for movement in disarmament, but recent Soviet commentary has also concentrated on the importance of economic dealings with the West for the new five year plan. The USSR has emphasized that ties will develop faster with those states willing to "insure equal conditions" in trade. Brezhnev has said, for example, that it is "unacceptable" for the US to link trade and emigration and that the granting of most-favored-nation status to the USSR and expanded credits are a prerequisite to increased trade. [] 25X1

IRAN - SOUTH YEMEN: Return of Pilot

25X1 [] //Diplomatic efforts by Saudi Arabia and Kuwait apparently have secured the release from South Yemen appear to be under way to recover the wreckage of the plane.//

25X1 [] The only demand by the Shah apparently still unsettled is release of an Iranian helicopter pilot captured by South Yemen late last year.

25X1 [] //The disposition of the plane is a much more serious matter. Three Iranian destroyers and a logistic ship left Bandar Abbas yesterday for waters off Oman's Dhofar Province. According to [] the US defense attache in Tehran, their mission is either to raise or destroy the downed plane. The aircraft is a few kilometers off South Yemen's shore in 15 meters of water.//

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25X1 [] It is not yet clear what concessions, if any, the Shah or those mediating the dispute made to South Yemen.

25X1 [] Barring a last minute hitch over the plane, the dispute now seems relegated to propaganda channels. Radical Arab states are certain to use the incident to intensify their attacks on Iran's military presence on the Arabian peninsula.

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MEXICO: Expropriation Annulled

25X1 [] A Mexican federal court's annulment last Friday of former president Echeverria's expropriation of 100,000 hectares of farmland in the northwest state of Sonora sets the stage for what will probably be a long and complex legal battle over claims on the land.

25X1 [] Although the head of a leftist peasant union warned that violence could result if the government attempts to carry out the court order and oust peasants from the land, indications are that both the government and the landowners will seek to negotiate a settlement.

25X1 [] President Lopez Portillo will probably try to persuade the landowners to donate some of the disputed land to the peasants. Both sides contend they are within the law. The court's decision upheld a restraining order on land invasions obtained in September by landowners. Peasant leaders assert that landowners are in violation of a law that limits them to ownership of 100 hectares of irrigated land.

25X1 [] The annulment reflects the more conservative policy on land reform of the Lopez Portillo administration. The new President will reportedly soon replace the leader of the government-run peasants confederation, who has been one of the leading proponents of land redistribution, with someone more attuned to his views. Lopez Portillo also has said he will create new judicial bodies outside the heavily politicized Secretariat of Agrarian Reform to interpret land reform law.

25X1 [] Lopez Portillo also is taking a tougher line on peasant demands. Last week, police ousted peasants who had taken over land in the state of Durango. In Sinaloa state, a show of force by army and police caused peasants to vacate land they had occupied, and peasant groups demonstrating in Mexico City for more expropriations in the southern part of the country have been getting an unsympathetic reaction from the new government.

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Next 2 Page(s) In Document Exempt

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